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FM AMEMBASSY LIMA
TO RUEHC/SECSTATE WASHDC 1230
INFO RUEHAC/AMEMBASSY ASUNCION 0019
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RUEHQT/AMEMBASSY QUITO 0010
RUEHSG/AMEMBASSY SANTIAGO 0008
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUMIAAA/USCINCSO MIAMI FL

C O N F I D E N T I A L LIMA 001389

SIPDIS

E.O. 12958: DECL: 09/16/2019
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ELAB](#) [ETRD](#) [ECON](#) [PE](#)
SUBJECT: AMAZON WORKING GROUPS: FRUSTRATIONS AMID DIALOGUE

REF: A. LIMA 830 AND PREVIOUS

[1](#)B. LIMA 861

[1](#)C. LIMA 866

[1](#)D. LIMA 1010

Classified By: Amb. P. Michael McKinley for reasons 1.4(b) and (d).

[1](#)1. (C) Summary: Following the deadly June 5 Amazon clashes in which 24 police officers and 10 civilians were killed, then-PM Yehude Simon signed accords with indigenous groups that established the National Coordinating Group for the Development of Amazon Populations ("Grupo Nacional" -- reftels). The four working groups comprising the Grupo Nacional continue to work in fits and starts, delayed in part by July's major cabinet overhaul. Shortly after his appointment, new PM Javier Velasquez Quesquen reached out to the Embassy and other international actors for help in addressing conflict. Some nongovernmental organizations (NGOs) working closely with the main indigenous actors report frustration with the process, and some observers say the government's participation suggests a fragile work in progress. As political attention swings back to the VRAE (septel), the Amazon dialogue's success could help calm political waters and ensure the US-Peru Trade Promotion Agreement (PTPA) remains in force. End Summary.

"Mesas": Background and Structure

[1](#)2. (C) Following the deadly June 5 Amazon clashes in which 24 police officers and 10 civilians were killed, then-PM Yehude Simon signed accords with indigenous groups that led to the removal of protesters' roadblocks, the repeal of two legislative decrees, and the establishment of the "Grupo Nacional." This group, which first met June 22, is divided into four working groups ("mesas de dialogo" -- literally, "dialogue tables"), whose mandates are as follows:

-- Mesa 1: Form a commission to investigate the events of June 5. (Note: This mesa has concluded its work. On September 2, the Grupo Nacional convened and approved the names put forward by the mesa. The investigative commission has until December 26 to complete its investigation. End note.)

-- Mesa 2: Develop proposals to replace the repealed legislative decrees (1090 and 1064) and discuss the other seven controversial decrees that indigenous protesters had demanded be repealed. (Note: Decree 1090 was a new forestry law approved in 2008 in part to comply with the Forest Sector Annex of the US-Peru Trade Promotion Agreement -- PTPA. Its

repeal has potential implications for the PTPA. Indigenous groups sought the repeal of the law not for its connection to the PTPA but because they believe it was approved in the absence of prior consultation with indigenous communities. Representatives from several ministries, the PM's office, and NGOs have told us Mesa 2 will provide conceptual input for a new forestry law, but will not actually draft the bill. Instead, the Ministry of Agriculture (MINAG) and Ministry of Trade and Tourism (MINCETUR) will draft replacement legislation to ensure continued compliance with the PTPA, taking into account the (non-binding) input from Mesa 2. MINAG and NGO contacts have separately told us the GOP and indigenous groups alike support the environmental protections mandated in the PTPA. Despite their reported agreement, a possible sticking point could be whether indigenous groups believe they have been properly consulted before new legislation is enacted. End note.)

-- Mesa 3: Define administrative mechanisms and create legislation to implement the "prior consultation" required by ILO Convention 169, Art. 6. (Note: Peru ratified the Convention in 1994, but has not yet put in place domestic administrative structures and regulations that define and facilitate the government's formal consultation process with indigenous communities. Officials from the PM's office told us in early September the group will seek consensus and forward its proposed legislation to Congress "very soon." While most observers believe Congress will honor whatever consensus is reached in the Grupo Nacional and pass suggested legislation, others believe the issue of whether consultations will be "binding" is central. Government representatives in the Grupo Nacional are unlikely to forward a proposal that would give indigenous groups the power to veto development projects, while certain indigenous representatives believe they should have explicit veto power. End note.)

-- Mesa 4: Develop a National Proposal for Amazonian Development. (Note: The group is using a 2001 document as its base. NGOs and the PM's office have told us this mesa's work is a long-term project and will not be concluded within the brief Grupo Nacional time frame. End note.)

13. (C) The Grupo Nacional is a multi-sectoral structure, which includes representatives from the national government (the PM's office and several ministries); local and regional Amazon-area governments; the Amazon indigenous group that led recent protests (AIDSEP), AIDSEP's sometimes-rival CONAP (known to be more moderate), and other smaller indigenous groups. The GOP, regional governments, and indigenous groups all theoretically have representation on each mesa (though these entities have not always been able to muster the personnel needed to participate in each meeting.) The PM's office has overall responsibility for the Grupo Nacional, but in an August 25 decree PM Velasquez Quesquen officially delegated the lead coordinating role to MINAG and extended the Grupo Nacional's overall deadline by about two months, to December 26. The PM and MINAG also jointly run a new "technical secretariat" for the mesas. NGOs do not have a formal role in the mesas but are actively advising indigenous groups and often attend mesa meetings as consultants. Representatives from the Human Rights Ombudsman's office and the Catholic Church have also observed the meetings.

Progress Slow, Bumpy

14. (C) The four working groups comprising the Grupo Nacional have advanced in fits and starts. Not long after the Grupo Nacional was first convened and as a direct consequence of the June 5 violence, President Garcia overhauled his cabinet, and replaced political independent PM Yehude Simon -- who had hitherto spearheaded the dialogue process and reached interim agreements with indigenous protesters -- with APRA Congressman (and former President of Congress) Velasquez Quesquen. Other key Ministers, including the Ministers of Agriculture and Foreign Trade, were also changed. As is the practice in Peruvian politics, many working-level

functionaries were also replaced with political confidantes of the new ministers. (Note: The new PM spared some key functionaries who had been involved in the dialogue process and others who had worked closely with USTR during PTPA negotiations. End note.) Despite the cabinet shakeup and the sense of starting all over again, PM Velasquez Quesquen has publicly emphasized that all promises made under his predecessor's tenure would be respected. At the same time, he has sought to delegate conflict resolution responsibilities to the relevant ministries, and taken steps to have each ministry create its own conflict prevention unit.

PM Velasquez Quesquen Asks for Help

15. (C) Soon after assuming his new role, PM Velasquez Quesquen reached out to the Embassy and other international actors for help in addressing social conflict resolution. The request suggested a genuine interest in addressing the government's institutional capacity to prevent and resolve conflict. In response to the PM's request, USAID Peru arranged for two Colombian nationals from USAID Colombia and a US consultant based in Brazil to work with the PM's office for several weeks, interview concerned parties on all sides, and design a diagnostic of the challenges with suggestions regarding potential ways for the GOP to improve its processes for addressing conflict in general. The consultants separately compiled suggestions for possible future support to the PM's office in conflict management. Throughout the consultation, the PM's office seemed mostly interested in receiving conflict resolution training for ministerial staff; at their request, the USAID consultants, in conjunction with a longer-term \$3.5 million EU-funded UNDP conflict mitigation project, provided three days of training to the ministries' new conflict prevention units.

Indigenous Reps Skeptical of Government Commitment

16. (C) Despite the government's interest in moving the dialogue process forward -- and because the process remains a fragile work in progress -- indigenous groups' impatience peaked in August, generating threats to resume protests. At the time, indigenous groups perceived a declining commitment to dialogue within the GOP, citing the participation of low-level officials with no decision-making power and the GOP's counterproductive and ultimately failed effort to set up a parallel AIDSESEP board. AIDSESEP's demands included a GOP response to indigenous representatives' proposals for the investigative commission (now resolved), and dropping arrest warrants of indigenous leaders (partially resolved - the high profile arrest warrant for Santiago Manuin was revoked). NGOs working closely with the main indigenous actors have told us they worked hard to convince AIDSESEP to remain at the table despite frustrations with the GOP. At the same time, the PM made several gestures of good will, including promises of sending higher level government officials to meetings and several public declarations on the importance of dialogue. NGOs tell us there were more discreet gestures as well, unreported by the media, such as modest financial assistance for indigenous leaders who travel long distances to attend the mesa meetings.

17. (C) Our NGO contacts tell us they and indigenous groups are cautiously optimistic about the progress of the mesas. While they believe the recent GOP momentum is only a response to the pressure and threats of protest and could be sidetracked again, the mesas are in fact advancing. NGO representatives who have been peripherally involved with the mesas and also in contact with MINCETUR on the implementation of the Forest Sector Annex of the PTPA believe a new forestry law will be passed in the coming months that will please all sides. They remain concerned with the discussions of the other seven (non-PTPA related) decrees. Environmental NGOs have told us they are working with indigenous groups to propose slight modifications to the decrees. However, at least one of the decrees remains particularly thorny.

Comment: Success Could Repair Damage

18. (C) Successful dialogue could help ensure Peru's future political stability by beginning to repair the damage caused by the June 5 violence and reverse years of accumulated distrust. It could also guarantee that the domestic legal structures and administrative regulations required by the PTPA remain in place. But the dialogue process is unlikely to be crisp and clear, given the logistical complexity and layered nature of the challenge. Success could also hinge on plain good will to get the job done, which each side seems to believe the other side lacks. As high-level policy attention swings back toward the VRAE, the government will need to juggle competing interests (and conflicts) to ensure the Amazon dialogue process remains on track.

MCKINLEY